

103^D CONGRESS
2^D SESSION

H. R. 3235

IN THE SENATE OF THE UNITED STATES

MARCH 23 (legislative day, FEBRUARY 22), 1994

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of antimoney laundering laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Money Laundering Suppression Act of 1994”.

6 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Reform of CTR exemption requirements to reduce number and size of reports consistent with effective law enforcement.
- Sec. 3. Single designee for reporting of suspicious transactions.
- Sec. 4. Improvement of identification of money laundering schemes.
- Sec. 5. Negotiable instruments drawn on foreign banks subject to recordkeeping and reporting requirements.
- Sec. 6. Imposition of civil money penalties by appropriate Federal banking agencies.
- Sec. 7. Uniform State licensing and regulation of check cashing, currency exchange, and money transmitting businesses.
- Sec. 8. Registration of money transmitting businesses to promote effective law enforcement.
- Sec. 9. Uniform Federal regulation of casinos.
- Sec. 10. Uniform Federal administration of recordkeeping and reporting requirements.
- Sec. 11. Criminal and civil penalty for structuring domestic and international transactions.
- Sec. 12. GAO study of cashiers' checks.
- Sec. 13. Technical corrections.

1 **SEC. 2. REFORM OF CTR EXEMPTION REQUIREMENTS TO**
2 **REDUCE NUMBER AND SIZE OF REPORTS**
3 **CONSISTENT WITH EFFECTIVE LAW EN-**
4 **FORCEMENT.**

5 (a) IN GENERAL.—Section 5313 of title 31, United
6 States Code, is amended by adding at the end the follow-
7 ing new subsections:

8 “(d) MANDATORY EXEMPTIONS FROM REPORTING
9 REQUIREMENTS.—

10 “(1) IN GENERAL.—The Secretary of the
11 Treasury shall exempt, pursuant to section
12 5318(a)(5), a depository institution from the report-
13 ing requirements of subsection (a) with respect to
14 transactions between the depository institution and
15 the following categories of entities:

16 “(A) Another depository institution.

1 “(B) A department or agency of the
2 United States, any State, or any political sub-
3 division of any State.

4 “(C) Any entity established under the laws
5 of the United States, any State, or any political
6 subdivision of any State, or under an interstate
7 compact between 2 or more States, which exer-
8 cises governmental authority on behalf of the
9 United States, the State, or the political sub-
10 division.

11 “(D) Any business or category of business
12 the reports on which have little or no value for
13 law enforcement purposes.

14 “(2) NOTICE OF EXEMPTION.—The Secretary
15 of the Treasury shall publish in the Federal Register
16 at such times as the Secretary determines to be ap-
17 propriate (but not less frequently than once each
18 year) a list of all the entities whose transactions
19 with a depository institution are exempt under this
20 subsection from the reporting requirements of sub-
21 section (a).

22 “(e) DISCRETIONARY EXEMPTIONS FROM REPORT-
23 ING REQUIREMENTS.—

24 “(1) IN GENERAL.—The Secretary of the
25 Treasury may exempt, pursuant to section

1 5318(a)(5), a depository institution from the report-
2 ing requirements of subsection (a) with respect to
3 transactions between the depository institution and a
4 qualified business customer of the institution on the
5 basis of information submitted to the Secretary by
6 the institution in accordance with procedures which
7 the Secretary shall establish.

8 “(2) QUALIFIED BUSINESS CUSTOMER DE-
9 FINED.—For purposes of this subsection, the term
10 ‘qualified business customer’ means a business
11 which—

12 “(A) maintains a transaction account (as
13 defined in section 19(b)(1)(C) of the Federal
14 Reserve Act) at the depository institution;

15 “(B) frequently engages in transactions
16 with the depository institution which are subject
17 to the reporting requirements of subsection (a);
18 and

19 “(C) meets criteria which the Secretary de-
20 termines are sufficient to ensure that the pur-
21 poses of this subchapter are carried out without
22 requiring a report with respect to such trans-
23 actions.

24 “(3) CRITERIA FOR EXEMPTION.—The Sec-
25 retary of the Treasury shall establish, by regulation,

1 the criteria for granting and maintaining an exemp-
2 tion under paragraph (1).

3 “(4) GUIDELINES.—

4 “(A) IN GENERAL.—The Secretary of the
5 Treasury shall establish guidelines for deposi-
6 tory institutions to follow in selecting customers
7 for an exemption under this subsection.

8 “(B) CONTENTS.—The guidelines may in-
9 clude a description of the types of businesses or
10 an itemization of specific businesses for which
11 no exemption will be granted under this sub-
12 section to any depository institution.

13 “(5) ANNUAL REVIEW.—The Secretary of the
14 Treasury shall prescribe regulations requiring each
15 depository institution to—

16 “(A) review, at least once each year, the
17 qualified business customers of such institution
18 with respect to whom an exemption has been
19 granted under this subsection; and

20 “(B) upon the completion of such review,
21 resubmit information about such customers,
22 with such modifications as the institution deter-
23 mines to be appropriate, to the Secretary for
24 the Secretary’s approval.

1 “(6) 2-YEAR PHASE-IN PROVISION.—During the
2 2-year period beginning on the date of the enact-
3 ment of the Money Laundering Suppression Act of
4 1994, this subsection shall be applied by the Sec-
5 retary on the basis of such criteria as the Secretary
6 determines to be appropriate to achieve an orderly
7 implementation of the requirements of this sub-
8 section.

9 “(f) PROVISIONS APPLICABLE TO MANDATORY AND
10 DISCRETIONARY EXEMPTIONS.—

11 “(1) LIMITATION ON LIABILITY OF DEPOSITORY
12 INSTITUTIONS.—No depository institution shall be
13 subject to any penalty which may be imposed under
14 this subchapter for the failure of the institution to
15 file a report with respect to a transaction with a cus-
16 tomer for whom an exemption has been granted
17 under subsection (d) or (e) unless the institution—

18 “(A) knowingly files false or incomplete in-
19 formation to the Secretary with respect to the
20 transaction or the customer engaging in the
21 transaction; or

22 “(B) has reason to believe at the time the
23 exemption is granted or the transaction is en-
24 tered into that the customer or the transaction

1 does not meet the criteria established for grant-
2 ing such exemption.

3 “(2) COORDINATION WITH OTHER PROVI-
4 SIONS.—Any exemption granted by the Secretary of
5 the Treasury under section 5318(a) in accordance
6 with this section, and any transaction which is sub-
7 ject to such exemption, shall be subject to any other
8 provision of law applicable to such exemption, in-
9 cluding—

10 “(A) the authority of the Secretary, under
11 section 5318(a)(5), to revoke such exemption at
12 any time; and

13 “(B) any requirement to report, or any au-
14 thority to require a report on, any possible vio-
15 lation of any law or regulation or any suspected
16 criminal activity.

17 “(g) DEPOSITORY INSTITUTION DEFINED.—For pur-
18 poses of this section, the term ‘depository institution’—

19 “(1) has the meaning given to such term in sec-
20 tion 19(b)(1)(A) of the Federal Reserve Act; and

21 “(2) includes—

22 “(A) any branch, agency, or commercial
23 lending company (as such terms are defined in
24 section 1(b) of the International Banking Act of
25 1978);

1 “(B) any corporation chartered under sec-
2 tion 25A of the Federal Reserve Act; and

3 “(C) any corporation having an agreement
4 or undertaking with the Board of Governors of
5 the Federal Reserve System under section 25 of
6 the Federal Reserve Act.”.

7 (b) REPORT REDUCTION GOAL; REPORTS.—

8 (1) IN GENERAL.—In implementing the amend-
9 ment made by subsection (a), the Secretary of the
10 Treasury shall seek to reduce, within a reasonable
11 period of time, the number of reports required to be
12 filed in the aggregate by depository institutions pur-
13 suant to section 5313(a) of title 31, United States
14 Code, by at least 30 percent of the number filed dur-
15 ing the year preceding the date of the enactment of
16 this Act.

17 (2) INTERIM REPORT.—The Secretary of the
18 Treasury shall submit a report to the Congress not
19 later than the end of the 180-day period beginning
20 on the date of the enactment of this Act on the
21 progress made by the Secretary in implementing the
22 amendment made by subsection (a).

23 (3) ANNUAL REPORT.—The Secretary of the
24 Treasury shall submit an annual report to the Con-
25 gress after the end of each of the first 5 calendar

1 years which begin after the date of the enactment of
2 this Act on the extent to which the Secretary has re-
3 duced the overall number of currency transaction re-
4 ports filed with the Secretary pursuant to section
5 5313(a) of title 31, United States Code, consistently
6 with the purposes of such section and effective law
7 enforcement.

8 (c) STREAMLINED CURRENCY TRANSACTION RE-
9 PORTS.—The Secretary of the Treasury shall take such
10 action as may be appropriate to redesign the format of
11 reports required to be filed by any financial institution (as
12 defined in section 5312(a)(2) of title 31, United States
13 Code) under section 5313(a) of title 31, United States
14 Code, to eliminate the need to report information which
15 has little or no value for law enforcement purposes and
16 reduce the time and effort required to prepare such report
17 for filing by any such financial institution under such
18 section.

19 **SEC. 3. SINGLE DESIGNEE FOR REPORTING OF SUSPICIOUS**
20 **TRANSACTIONS.**

21 (a) IN GENERAL.—Section 5318(g) of title 31,
22 United States Code, is amended by adding at the end the
23 following new paragraph:

24 “(4) SINGLE DESIGNEE FOR REPORTING SUS-
25 PICIOUS TRANSACTIONS.—

1 “(A) IN GENERAL.—In requiring reports
2 under paragraph (1) of suspicious transactions,
3 the Secretary of the Treasury shall designate,
4 to the extent practicable and appropriate, a sin-
5 gle officer or agency of the United States to
6 whom such reports shall be made.

7 “(B) DUTY OF DESIGNEE.—The officer or
8 agency of the United States designated by the
9 Secretary of the Treasury pursuant to subpara-
10 graph (A) shall refer any report of a suspicious
11 transaction to any appropriate law enforcement
12 or supervisory agency.

13 “(C) COORDINATION WITH OTHER RE-
14 PORTING REQUIREMENTS.—Subparagraph (A)
15 shall not be construed as precluding any super-
16 visory agency for any financial institution from
17 requiring the financial institution to submit any
18 information or report to the agency or another
19 agency pursuant to any provision of law other
20 than this subsection.”.

21 (b) REPORTS.—

22 (1) REPORTS REQUIRED.—The Secretary of the
23 Treasury shall submit an annual report to the Con-
24 gress at the times required under paragraph (2) on
25 the number of suspicious transactions reported to

1 the officer or agency designated under section
2 5318(g)(4)(A) of title 31, United States Code, dur-
3 ing the period covered by the report and the disposi-
4 tion of such reports.

5 (2) TIME FOR SUBMITTING REPORTS.—The 1st
6 report required under paragraph (1) shall be filed
7 before the end of the 1-year period beginning on the
8 date of the enactment of the Money Laundering
9 Suppression Act of 1994 and each subsequent report
10 shall be filed within 90 days after the end of each
11 of the 5 calendar years which begin after such date
12 of enactment.

13 (c) DESIGNATION REQUIRED TO BE MADE EXPEDI-
14 TIOUSLY.—The initial designation of an officer or agency
15 of the United States pursuant to the amendment made
16 by subsection (a) shall be made before the end of the 180-
17 day period beginning on the date of the enactment of this
18 Act.

19 **SEC. 4. IMPROVEMENT OF IDENTIFICATION OF MONEY**
20 **LAUNDERING SCHEMES.**

21 (a) ENHANCED TRAINING, EXAMINATIONS, AND RE-
22 FERRALS BY BANKING AGENCIES.—Before the end of the
23 6-month period beginning on the date of the enactment
24 of this Act, each appropriate Federal banking agency

1 shall, in consultation with the Secretary of the Treasury
2 and other appropriate law enforcement agencies—

3 (1) review and enhance training and examina-
4 tion procedures to improve the identification of
5 money laundering schemes involving depository insti-
6 tutions; and

7 (2) review and enhance procedures for referring
8 cases to any appropriate law enforcement agency.

9 (b) IMPROVED REPORTING OF CRIMINAL SCHEMES
10 BY LAW ENFORCEMENT AGENCIES.—The Secretary of
11 the Treasury and each appropriate law enforcement agen-
12 cy shall provide, on a regular basis, information regarding
13 money laundering schemes and activities involving deposi-
14 tory institutions to each appropriate Federal banking
15 agency in order to enhance the agency’s ability to examine
16 for and identify money laundering activity.

17 (c) REPORT TO CONGRESS.—The Financial Institu-
18 tions Examination Council shall submit a report on the
19 progress made in carrying out subsection (a) and the use-
20 fulness of information received pursuant to subsection (b)
21 to the Congress by the end of the 1-year period beginning
22 on the date of the enactment of this Act.

23 (d) DEFINITIONS.—The terms “appropriate Federal
24 banking agency” and “Federal banking agencies” have the

1 same meanings as in section 3 of the Federal Deposit In-
2 surance Act.

3 **SEC. 5. NEGOTIABLE INSTRUMENTS DRAWN ON FOREIGN**
4 **BANKS SUBJECT TO RECORDKEEPING AND**
5 **REPORTING REQUIREMENTS.**

6 Section 5312(a)(3) of title 31, United States Code,
7 is amended—

8 (1) by striking “and” at the end of subpara-
9 graph (A);

10 (2) by striking the period at the end of sub-
11 paragraph (B) and inserting “; and”; and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(C) as the Secretary of the Treasury shall
15 provide by regulation for purposes of section
16 5316, checks, drafts, notes, money orders, and
17 other similar instruments which are drawn on
18 or by a foreign financial institution and are not
19 in bearer form.”.

20 **SEC. 6. IMPOSITION OF CIVIL MONEY PENALTIES BY AP-**
21 **PROPRIATE FEDERAL BANKING AGENCIES.**

22 Section 5321 of title 31, United States Code, is
23 amended by adding at the end the following new sub-
24 section:

1 “(e) DELEGATION OF ASSESSMENT AUTHORITY TO
2 BANKING AGENCIES.—

3 “(1) IN GENERAL.—The Secretary of the
4 Treasury shall delegate, in accordance with section
5 5318(a)(1) and subject to such terms and conditions
6 as the Secretary may impose in accordance with
7 paragraph (3), any authority of the Secretary to as-
8 sess a civil money penalty under this section on de-
9 pository institutions (as defined in section 3 of the
10 Federal Deposit Insurance Act) to the appropriate
11 Federal banking agencies (as defined in such section
12 3).

13 “(2) AUTHORITY OF AGENCIES.—Subject to
14 any term or condition imposed by the Secretary of
15 the Treasury under paragraph (3), the provisions of
16 this section shall apply to an appropriate Federal
17 banking agency to which is delegated any authority
18 of the Secretary under this section in the same man-
19 ner such provisions apply to the Secretary.

20 “(3) TERMS AND CONDITIONS.—

21 “(A) IN GENERAL.—The Secretary of the
22 Treasury shall prescribe by regulation the terms
23 and conditions which shall apply to any delega-
24 tion under paragraph (1).

1 “(B) MAXIMUM DOLLAR AMOUNT.—The
2 terms and conditions authorized under subpara-
3 graph (A) may include, in the Secretary’s sole
4 discretion, a limitation on the amount of any
5 civil penalty which may be assessed by an ap-
6 propriate Federal banking agency pursuant to a
7 delegation under paragraph (1).”.

8 **SEC. 7. UNIFORM STATE LICENSING AND REGULATION OF**
9 **CHECK CASHING, CURRENCY EXCHANGE,**
10 **AND MONEY TRANSMITTING BUSINESSES.**

11 (a) UNIFORM LAWS AND ENFORCEMENT.—For pur-
12 poses of preventing money laundering and protecting the
13 payment system from fraud and abuse, it is the sense of
14 the Congress that the several States should—

15 (1) establish uniform laws for licensing and reg-
16 ulating businesses which—

17 (A) provide check cashing, currency ex-
18 change, or money transmitting or remittance
19 services, or issue or redeem money orders, trav-
20 elers’ checks, and other similar instruments;
21 and

22 (B) are not depository institutions (as de-
23 fined in section 19(b)(1)(A) of the Federal Re-
24 serve Act); and

1 (2) provide sufficient resources to the appro-
2 priate State agency to enforce such laws and regula-
3 tions prescribed pursuant to such laws.

4 (b) MODEL STATUTE.—It is the sense of the Con-
5 gress that the several States should develop, through the
6 auspices of the National Conference of Commissioners on
7 Uniform State Laws, the American Law Institute, or such
8 other forum as the States may determine to be appro-
9 priate, a model statute to carry out the goals described
10 in subsection (a) which would include the following:

11 (1) LICENSING REQUIREMENTS.—A require-
12 ment that any business described in subsection
13 (a)(1) be licensed and regulated by an appropriate
14 State agency in order to engage in any such activity
15 within the State.

16 (2) LICENSING STANDARDS.—A requirement
17 that—

18 (A) in order for any business described in
19 subsection (a)(1) to be licensed in the State, the
20 appropriate State agency shall review and ap-
21 prove—

22 (i) the business record, the fee struc-
23 ture, and the capital adequacy of the busi-
24 ness seeking the license; and

1 (ii) the competence, experience, integ-
2 rity, and financial ability of any individual
3 who—

4 (I) is a director, officer, or super-
5 visory employee of such business; or

6 (II) owns or controls such busi-
7 ness; and

8 (B) any record, on the part of any business
9 seeking the license or any person referred to in
10 subparagraph (A)(ii), of—

11 (i) any criminal activity;

12 (ii) any fraud or other act of personal
13 dishonesty;

14 (iii) any act, omission, or practice
15 which constitutes a breach of a fiduciary
16 duty; or

17 (iv) any suspension or removal, by any
18 agency or department of the United States
19 or any State, from participation in the con-
20 duct of any federally or State licensed or
21 regulated business,

22 may be grounds for the denial of any such li-
23 cense by the appropriate State agency.

24 (3) PROCEDURES TO ENSURE COMPLIANCE

25 WITH FEDERAL CASH TRANSACTION REPORTING RE-

1 REQUIREMENTS.—A civil or criminal penalty for oper-
2 ating any business referred to in paragraph (1)
3 without establishing and complying with appropriate
4 procedures to ensure compliance with subchapter II
5 of chapter 53 of title 31, United States Code (relat-
6 ing to records and reports on monetary instruments
7 transactions).

8 (4) CRIMINAL PENALTIES FOR OPERATION OF
9 BUSINESS WITHOUT A LICENSE.—A criminal penalty
10 for operating any business referred to in paragraph
11 (1) without a license within the State after the end
12 of an appropriate transition period beginning on the
13 date of the enactment of such model statute by the
14 State.

15 (c) STUDY REQUIRED.—The Secretary of the Treas-
16 ury shall conduct a study of—

17 (1) the progress made by the several States in
18 developing and enacting a model statute which—

19 (A) meets the requirements of subsection

20 (b); and

21 (B) furthers the goals of—

22 (i) preventing money laundering by
23 businesses which are required to be li-
24 censed under any such statute; and

1 (ii) protecting the payment system, in-
2 cluding the receipt, payment, collection,
3 and clearing of checks, from fraud and
4 abuse by such businesses; and

5 (2) the adequacy of—

6 (A) the activity of the several States in en-
7 forcing the requirements of such statute; and

8 (B) the resources made available to the ap-
9 propriate State agencies for such enforcement
10 activity.

11 (d) REPORT REQUIRED.—Before the end of the 3-
12 year period beginning on the date of the enactment of this
13 Act and by the end of each of the first 2 1-year periods
14 beginning after the end of such 3-year period, the Sec-
15 retary of the Treasury shall submit a report to the Con-
16 gress containing the findings and recommendations of the
17 Secretary in connection with the study under subsection
18 (c), together with such recommendations for legislative
19 and administrative action as the Secretary may determine
20 to be appropriate.

21 (e) RECOMMENDATIONS IN CASES OF INADEQUATE
22 REGULATION AND ENFORCEMENT BY STATES.—If the
23 Secretary of the Treasury determines that any State has
24 been unable to—

1 (1) enact a statute which meets the require-
2 ments described in subsection (b);

3 (2) undertake adequate activity to enforce such
4 statute; or

5 (3) make adequate resources available to the
6 appropriate State agency for such enforcement activ-
7 ity,

8 the report submitted pursuant to subsection (d) shall con-
9 tain recommendations of the Secretary which are designed
10 to facilitate the enactment and enforcement by the State
11 of such a statute.

12 (f) FEDERAL FUNDING STUDY.—

13 (1) STUDY REQUIRED.—The Secretary of the
14 Treasury shall conduct a study to identify possible
15 available sources of Federal funding to cover costs
16 which will be incurred by the States in carrying out
17 the purposes of this section.

18 (2) REPORT.—The Secretary of the Treasury
19 shall submit a report to the Congress on the study
20 conducted pursuant to paragraph (1) before the end
21 of the 18-month period beginning on the date of the
22 enactment of this Act.

1 **SEC. 8. REGISTRATION OF MONEY TRANSMITTING BUSI-**
2 **NESSES TO PROMOTE EFFECTIVE LAW EN-**
3 **FORCEMENT.**

4 (a) FINDINGS AND PURPOSES.—

5 (1) FINDINGS.—The Congress hereby finds the
6 following:

7 (A) Money transmitting businesses are
8 subject to the recordkeeping and reporting re-
9 quirements of subchapter II of chapter 53 of
10 title 31, United States Code.

11 (B) Money transmitting businesses are
12 largely unregulated businesses and are fre-
13 quently used in sophisticated schemes to—

14 (i) transfer large amounts of money
15 which are the proceeds of unlawful enter-
16 prises; and

17 (ii) evade the requirements of such
18 subchapter II, the Internal Revenue Code
19 of 1986, and other laws of the United
20 States.

21 (C) Information on the identity of money
22 transmitting businesses and the names of the
23 persons who own or control, or are officers or
24 employees of, a money transmitting business
25 would have a high degree of usefulness in crimi-

1 nal, tax, or regulatory investigations and pro-
2 ceedings.

3 (2) PURPOSE.—It is the purpose of this section
4 to establish a registration requirement for businesses
5 engaged in providing check cashing, currency ex-
6 change, or money transmitting or remittance serv-
7 ices, or issuing or redeeming money orders, travel-
8 ers’ checks, and other similar instruments to assist
9 the Secretary of the Treasury, the Attorney General,
10 and other supervisory and law enforcement agencies
11 to effectively enforce the criminal, tax, and regu-
12 latory laws and prevent such money transmitting
13 businesses from engaging in illegal activities.

14 (b) IN GENERAL.—Subchapter II of chapter 53 of
15 title 31, United States Code, is amended by adding at the
16 end the following new section:

17 **“§ 5329. Registration of money transmitting busi-**
18 **nesses**

19 “(a) REGISTRATION WITH SECRETARY OF THE
20 TREASURY REQUIRED.—

21 “(1) IN GENERAL.—Any person who owns or
22 controls a money transmitting business which is not
23 a depository institution (as defined in section
24 19(b)(1)(A) of the Federal Reserve Act) shall reg-
25 ister the business (whether or not the business is li-

1 censed as a money transmitting business in any
2 State) with the Secretary of the Treasury before the
3 end of the 180-day period beginning on the later
4 of—

5 “(A) the date of the enactment of the
6 Money Laundering Suppression Act of 1994; or

7 “(B) the date the business is established.

8 “(2) FORM AND MANNER OF REGISTRATION.—
9 Subject to the requirements of subsection (b), the
10 Secretary of the Treasury shall prescribe, by regula-
11 tion, the form and manner for registering a money
12 transmitting business pursuant to paragraph (1).

13 “(3) BUSINESSES REMAIN SUBJECT TO STATE
14 LAW.—This section shall not be construed as super-
15 seding any requirement of State law relating to
16 money transmitting businesses operating in such
17 State.

18 “(4) FALSE AND INCOMPLETE INFORMATION.—
19 The filing of false or materially incomplete informa-
20 tion in connection with the registration of a money
21 transmitting business shall be considered as a failure
22 to comply with the requirements of this subchapter.

23 “(b) CONTENTS OF REGISTRATION.—The registra-
24 tion of a money transmitting business under subsection
25 (a) shall include the following information:

1 “(1) The name and location of the business.

2 “(2) The name and address of each person
3 who—

4 “(A) owns or controls the business;

5 “(B) is an director or officer of the busi-
6 ness; or

7 “(C) otherwise participates in the conduct
8 of the affairs of the business.

9 “(3) The name and address of any depository
10 institution at which the business maintains a trans-
11 action account (as defined in section 19(b)(1)(C) of
12 the Federal Reserve Act).

13 “(4) An estimate of the volume of business in
14 the coming year (which shall be reported annually to
15 the Secretary).

16 “(5) Such other information as the Secretary of
17 the Treasury may require.

18 “(c) AGENTS OF MONEY TRANSMITTING BUSI-
19 NESSES.—

20 “(1) MAINTENANCE OF LISTS OF AGENTS OF
21 MONEY TRANSMITTING BUSINESSES.—Pursuant to
22 regulations which the Secretary of the Treasury
23 shall prescribe, each money transmitting business
24 shall—

1 “(A) maintain a list containing the names
2 and addresses of all persons authorized to act
3 as an agent for such business in connection
4 with activities described in subsection (d)(1)(A)
5 and such other information about such agents
6 as the Secretary may require; and

7 “(B) make the list and other information
8 available on request to any appropriate law en-
9 forcement agency.

10 “(2) TREATMENT OF AGENT AS MONEY TRANS-
11 MITTING BUSINESS.—The Secretary of the Treasury
12 shall prescribe regulations establishing, on the basis
13 of such criteria as the Secretary determines to be
14 appropriate, a threshold point for treating an agent
15 of a money transmitting business as a money trans-
16 mitting business for purposes of this section.

17 “(d) DEFINITIONS.—For purposes of this section:

18 “(1) MONEY TRANSMITTING BUSINESS.—The
19 term ‘money transmitting business’ means any busi-
20 ness other than the United States Postal Service
21 which—

22 “(A) provides check cashing, currency ex-
23 change, or money transmitting or remittance
24 services, or issues or redeems money orders,
25 travelers’ checks, and other similar instruments;

1 “(B) is required to file reports under sec-
2 tion 5313; and

3 “(C) is not a depository institution (as de-
4 fined in section 19(b)(1)(A) of the Federal Re-
5 serve Act).

6 “(2) MONEY TRANSMITTING SERVICE.—The
7 term ‘money transmitting service’ includes accepting
8 currency or funds denominated in the currency of
9 any country and transmitting the currency or funds,
10 or the value of the currency or funds, by any means
11 through a financial agency or institution, a Federal
12 reserve bank or other facility of the Board of Gov-
13 ernors of the Federal Reserve System, or an elec-
14 tronic funds transfer network.

15 “(e) CIVIL PENALTY FOR FAILURE TO COMPLY
16 WITH REGISTRATION REQUIREMENTS.—

17 “(1) IN GENERAL.—Any person who fails to
18 comply with the money transmitting business reg-
19 istration requirements under subsection (a) or regu-
20 lations prescribed under such subsection shall be lia-
21 ble to the United States for a civil penalty of \$5,000
22 for each such violation.

23 “(2) CONTINUING VIOLATION.—Each day a vio-
24 lation described in paragraph (1) continues shall

1 constitute a separate violation for purposes of such
2 paragraph.

3 “(3) ASSESSMENTS.—Any penalty imposed
4 under this subsection shall be assessed and collected
5 by the Secretary of the Treasury in the manner pro-
6 vided in section 5321 and any such assessment shall
7 be subject to the provisions of such section.”.

8 (c) CRIMINAL PENALTY FOR FAILURE TO COMPLY
9 WITH REGISTRATION REQUIREMENTS.—Section
10 1960(b)(1) of title 18, United States Code, is amended
11 to read as follows:

12 “(1) the term ‘illegal money transmitting busi-
13 ness’ means a money transmitting business which
14 affects interstate or foreign commerce in any man-
15 ner or degree and—

16 “(A) is intentionally operated without an
17 appropriate money transmitting license in a
18 State where such operation is punishable as a
19 misdemeanor or a felony under State law; or

20 “(B) fails to comply with the money trans-
21 mitting business registration requirements
22 under section 5329 of title 31, United States
23 Code, or regulations prescribed under such
24 section;”.

1 (d) CIVIL FORFEITURE.—Section 981(a)(1)(A) of
 2 title 18, United States Code, is amended by striking “or
 3 of section 1956 or 1957 of this title,” and inserting “,
 4 or of section 1956, 1957, or 1960 of this title,”.

5 (e) CLERICAL AMENDMENT.—The table of sections
 6 for chapter 53 of title 31, United States Code, is amended
 7 by inserting after the item relating to section 5328 the
 8 following new item:

“5329. Registration of money transmitting businesses.”.

9 **SEC. 9. UNIFORM FEDERAL REGULATION OF CASINOS.**

10 AMENDMENT TO DEFINITION OF FINANCIAL INSTI-
 11 TUTION TO SPECIFICALLY INCLUDE CERTAIN CASINOS.—
 12 Section 5312(a)(2) of title 31, United States Code, is
 13 amended—

14 (1) by redesignating subparagraphs (X) and
 15 (Y) as subparagraphs (Y) and (Z), respectively; and
 16 (2) by inserting after subparagraph (W) the fol-
 17 lowing new subparagraph:

18 “(X) a casino, gambling casino, or gaming
 19 establishment with an annual gaming revenue
 20 of more than \$1,000,000 which—

21 “(i) is licensed as a casino or gam-
 22 bling casino under the laws of any State or
 23 any political subdivision of any State; or

24 “(ii) is an Indian gaming operation
 25 conducted under or pursuant to the Indian

1 Gaming Regulatory Act other than an op-
2 eration which is limited to class I gaming
3 (as defined in section 4(6) of such Act);”.

4 **SEC. 10. UNIFORM FEDERAL ADMINISTRATION OF RECORD-**
5 **KEEPING AND REPORTING REQUIREMENTS.**

6 (a) IN GENERAL.—Section 5318 of title 31, United
7 States Code, is amended by adding at the end the follow-
8 ing new subsection:

9 “(i) UNIFORM ADMINISTRATION OF SUBCHAPTER.—

10 “(1) NO EXEMPTIONS.—No exemption from
11 any recordkeeping or reporting requirement of this
12 subchapter, including paragraph (1), or of any regu-
13 lation prescribed pursuant to this subchapter may be
14 granted to—

15 “(A) any State or any political subdivision
16 of a State on behalf of any financial institution
17 which but, for such exemption, would be re-
18 quired to maintain records or file reports under
19 this subchapter or regulations prescribed by the
20 Secretary of the Treasury pursuant to this sub-
21 chapter; or

22 “(B) any financial institution on the basis
23 that any State, any political subdivision of any
24 State, or any officer, agency, or other authority

1 of any such State or political subdivision regu-
2 lates or examines such institution.

3 “(2) REPORTS REQUIRED TO BE FILED WITH
4 FEDERAL AGENCY.—Any report required under this
5 subchapter or regulations prescribed by the Sec-
6 retary of the Treasury pursuant to this subchapter
7 shall be filed by the person required to make the re-
8 port with the Secretary of the Treasury or an officer
9 or agency of the United States designated by the
10 Secretary to receive such report.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
12 Section 5318(a) of title 31, United States Code, is amend-
13 ed—

14 (1) in paragraph (1), by inserting “or (i)” after
15 “subsection (b)(2)”; and

16 (2) in paragraph (5), by inserting “except as
17 provided in subsection (i),” before “prescribe an ap-
18 propriate exemption”.

19 (c) REVOCATION OF PRIOR EXEMPTION.—Any ex-
20 emption granted under subchapter II of chapter 53 of title
21 31, United States Code, by the Secretary of the Treasury
22 before the date of the enactment of the Money Laundering
23 Suppression Act of 1994 to any State or local government
24 on behalf of any financial institution (as defined in such
25 subchapter) is hereby revoked as of the end of the 30-

1 day period beginning on the date of the enactment of this
2 Act.

3 **SEC. 11. CRIMINAL AND CIVIL PENALTY FOR STRUCTURING**
4 **DOMESTIC AND INTERNATIONAL TRANS-**
5 **ACTIONS.**

6 (a) CRIMINAL PENALTY.—Section 5324 of title 31,
7 United States Code, is amended by adding at the end the
8 following new subsection:

9 “(c) CRIMINAL PENALTY.—

10 “(1) IN GENERAL.—Whoever violates this sec-
11 tion shall be fined in accordance with title 18, Unit-
12 ed States Code, imprisoned for not more than 5
13 years, or both.

14 “(2) ENHANCED PENALTY FOR AGGRAVATED
15 CASES.—Whoever violates this section while violating
16 another law of the United States or as part of a pat-
17 tern of any illegal activity involving more than
18 \$100,000 in a 12-month period shall be fined twice
19 the amount provided in subsection (b)(3) or (c)(3)
20 (as the case may be) of section 3571 of title 18,
21 United States Code, imprisoned for not more than
22 10 years, or both.”.

23 (b) AMENDMENT RELATING TO CIVIL PENALTY.—
24 Section 5321(a)(4)(A) of title 31, United States Code, is
25 amended by striking “willfully”.

1 (c) TECHNICAL AND CONFORMING AMENDMENT.—
2 Subsections (a) and (b) of section 5322 of title 31, United
3 States Code, are amended by inserting “or 5324” after
4 “section 5315” each place such term appears.

5 **SEC. 12. GAO STUDY OF CASHIERS’ CHECKS.**

6 (a) STUDY REQUIRED.—The Comptroller General of
7 the United States shall conduct a study to—

8 (1) determine the extent to which the practice
9 of issuing of cashiers’ checks by financial institu-
10 tions is vulnerable to money laundering schemes;

11 (2) determine the extent to which additional
12 recordkeeping requirements should be imposed on fi-
13 nancial institutions which issue cashiers’ checks; and

14 (3) analyze such other factors relating to the
15 use and regulation of cashiers’ checks as the Comp-
16 troller General determines to be appropriate.

17 (b) REPORT REQUIRED.—Before the end of the 6-
18 month period beginning on the date of the enactment of
19 this Act, the Comptroller General shall submit a report
20 to the Congress containing—

21 (1) the findings and conclusions of the Comp-
22 troller General in connection with the study con-
23 ducted pursuant to subsection (a); and

1 (2) such recommendations for legislative and
2 administrative action as the Comptroller General
3 may determine to be appropriate.

4 **SEC. 13. TECHNICAL CORRECTIONS.**

5 (a) TITLE 31, U.S.C., AMENDMENTS.—

6 (1) Section 5321(a)(5)(A) of title 31, United
7 States Code, is amended by inserting “any violation
8 of” after “causing”.

9 (2) Section 5324(a) of title 31, United States
10 Code, is amended—

11 (A) by striking “section 5313(a), section
12 5325, or the regulations issued thereunder or
13 section 5325 or regulations prescribed under
14 such section 5325” each place such term ap-
15 pears and inserting “section 5313(a) or 5325
16 or any regulation prescribed under any such
17 section”; and

18 (B) by striking “with respect to such
19 transaction”.

20 (b) AMENDMENT RELATING TO TITLE 31, U.S.C.—

21 (1) Effective as of the date of the enactment of
22 the Annunzio-Wylie Anti-Money Laundering Act,
23 section 1517(b) of such Act is amended by striking
24 “5314” and inserting “5318”.

(2) Section 5239 of the Revised Statutes of the United States is amended by redesignating the 2d subsection (c) (as added by section 1502(a) of the Annunzio-Wylie Anti-Money Laundering Act) as subsection (d).

Passed the House of Representatives March 21, 1994.

Attest: DONNALD K. ANDERSON,
Clerk.

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